

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL DOCKET NO. 11-074</b>
<b>v.</b>	*	<b>SECTION: "B"</b>
<b>CECILE PAYNE</b>	*	<b>VIOLATION: 18 U.S.C. 641</b>
	* * *	

**FACTUAL BASIS**

The Defendant, Cecile Payne (hereinafter, "**PAYNE**"), has agreed to plead guilty as charged to Count 1 of the bill of information charging her with theft of government money, in violation of Title 18, United States Code, Section 641.

Should this matter have gone to trial, the Government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the superceding indictment now pending against the defendant.

Pursuant to legislation passed by the Congress of the United States of America, with the approval of the President of the United States, funds were appropriated to the Department of Housing and Urban Development ("**HUD**") for a Community Development Block Grant

(“CDBG”) for Louisiana hurricane victims. HUD is, and was, at the time of the offense, an agency or department of the United States of America. The purpose of this CDBG was to assist and aid owners of property damaged or destroyed by Hurricanes Katrina and Rita in August and September of 2005. The grant money was disbursed under a program known as the Louisiana Road Home Program (“LRHP”). HUD prepared the rules and regulations governing the disbursement of grant money through the State of Louisiana. The State of Louisiana through the Office of Community Development, Division of Administration, contracted with ICF International, Inc. to administer the LRHP.

One of the major requirements for receiving grant money from Road Home was that the damaged property be the primary residence of the applicant on August 29, 2005.

At the time Hurricane Katrina made landfall, on August 29, 2005, **PAYNE** owned a rental property located at 1508 Caffin Avenue, New Orleans, Louisiana, which she did not occupy when Hurricane Katrina struck New Orleans.

From on or about 2001 to the present, Cecile **PAYNE** lived at 3725 Inwood Drive Havery, Louisiana, and used this home as her primary residence before and after Hurricane Katrina.

On or about October 6, 2006, **PAYNE** submitted an online application for disaster assistance to the Louisiana Road Home Program for a Road Home grant. The application stated that **PAYNE’s** primary residence on the date Hurricane Katrina struck Louisiana, August 29, 2005, was 1508 Caffin Avenue, New Orleans, Louisiana. A copy of the online application from the files of ICF International, Inc., (“ICF”), the administrators of the LHRP, would be introduced to prove that **PAYNE** claimed 1508 Caffin Avenue as her primary residence on August 29, 2005. This application was given tracking number 06HH012351 by ICF.

On or about October 10, 2006, in the Eastern District of Louisiana, **PAYNE** attended her initial LRHP appointment and listed her primary residence on the date of Hurricane Katrina struck Louisiana, as 1508 Caffin Avenue, New Orleans, Louisiana. An employee of the LRHP would testify that on or about October 10, 2006, he personally reviewed the online application with **PAYNE** at the offices of the LRHP. This individual would state that he had a standard speech he gave to each applicant when it came to the question on the application regarding whether the listed damaged property was the primary residency of the applicant. He would tell each applicant that the primary residence requirement of the grant referred to the house they occupied the majority of the time when Hurricane Katrina struck New Orleans. It would be the home where their mail was delivered, they kept their clothes, and not a second home of any sort. Further, he stated if **PAYNE** had told him that the 1508 Caffin Avenue property in New Orleans was not her primary residency at the time of the storm, he would have rejected the application and not sent it on for completion. Since he reviewed the application based on **PAYNE's** representations and the application was approved, he believes that the defendant did not provide him with any of these facts at the time of their face to face meeting to review the Road Home application.

On or about December 3, 2006, **PAYNE** mailed a benefit selection form to the LRHP office located in Baton Rouge, Louisiana, indicating in the form that she elected to relocate, and sell her home located at 1508 Caffin Avenue in New Orleans to the LRHP.

On or about June 12, 2007, **PAYNE** mailed a second benefit selection form to the LRHP office located in Baton Rouge, Louisiana, indicating in the form that she elected to stay in her home located at 1508 Caffin Avenue in New Orleans.

Individuals from the LRHP and First American Title Company would testify that on or

about July 16, 2007, in the Eastern District of Louisiana, **PAYNE** closed on the Road Home grant. As part of the closing process, **PAYNE** was required to confirm and sign various closing documents, including a Road Home Grant Recipient Affidavit. The Road Home Grant Recipient Affidavit signed by **PAYNE** on July 16, 2007, stated that **PAYNE's** primary residence on the date Hurricane Katrina struck Louisiana, August 29, 2005, was 1508 Caffin Avenue New Orleans, Louisiana. As a result of her actions, **PAYNE** received direct financial assistance from the LRHP totaling \$102,718.81 that she was never entitled to. This grant was provided to **PAYNE** in the form of a "Compensation Grant," which she received for the uncompensated damage or loss of the property located at 1508 Caffin Avenue, New Orleans, Louisiana.

The Government would also submit copies of her driver's license that was issued on March 14, 2001. The driver's license shows that **PAYNE** listed 3725 Inwood Drive, Harvey, Louisiana as her primary residence.

The Government would also submit a statement that **PAYNE** made to the HUD agents during an interview on September 1, 2010, regarding the Road Home grant. During the interview, **PAYNE** admitted to the agents that 3725 Inwood Drive Harvey, Louisiana, was her primary residence before and at the time when Katrina struck New Orleans. She also admitted to the agents that the property located at 1508 Caffin Avenue in New Orleans was a rental property that she owned, and that it was occupied by her tenant when Hurricane Katrina struck New Orleans.

By engaging in the behavior outlined above, **PAYNE** acknowledges that she knowingly and intentionally embezzled, stole, purloined, and converted to her own use HUD benefits totaling \$102,718.81 to which she knew she was not entitled.

**APPROVED AND ACCEPTED:**

CECIL PAYNE	Date
Defendant	

THOMAS MURPHY  
Attorney for Defendant CECIL PAYNE

Date \_\_\_\_\_

SPIRO LATSI  
Assistant United States Attorney

Date